

Administrative Memo

Date: December 14, 2012
To: School Administrators, Federal Sub grantees/Recipients, and Finance Staff
From: Ron Lankford, Deputy Commissioner
Subject: FAS-12-010, Impact of Sequestration

Over the past few months, the Department has posted updates on the potential impact of Sequestration as information becomes available from the U.S. Department of Education. The latest update (FAS-12-007) included a message from Secretary Arne Duncan indicating that sequestration would not impact funding for the current 2012-13 school year, but rather be applied to funding that becomes available July 1, 2013 in the 2013-14 school year. However, this **has not** been confirmed by Congress or the Office of Management and Budget (OMB) so we can only assume that their interpretation reflects the eventual outcome. The impact is projected to be around an 8% reduction to the 2013-14 funding and beyond, **but** there is no guarantee of this percentage.

At this time, compromise on sequestration is still very uncertain. The Administration and Congress continue to work on a plan to avoid/delay this reduction in funding, but do not appear to have come to an agreement. As you start to prepare budgets for 2013-14, please be aware that sequestration is still looming and have a plan prepared in the event the reduction is implemented.

We strongly encourage your district to keep informed of the funding cliff discussions as they are posted in the news. We will continue to send out updates as we receive them.

To view the information related to sequestration, please go to the following link:
<http://dese.mo.gov/fas/Sequestration.html>.